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Bryan Slater, Acting Regional Administrator
Region 2
New York, New Jersey, Puerto Rico/USVI

News from Region 2

Region 2 Shatters Lending & Counseling Records

Acting Regional Administrator Bryan Slater has announced that Region 2 set all-time lending record in FY 2004, shattering the previous record set in FY 2003. A record-breaking 9,219 loans valued at \$1.47 billion were approved to small businesses throughout New York State, New Jersey, Puerto Rico and the U.S. Virgin Islands in FY 2004, compared with 7,097 loans made in 2003, itself a record year.

"Fiscal year 2004 was an historic year for Region 2," Slater said. Never before have we surpassed 9,000 loans. These loans are helping thousands of small business owners in this region realize the dream of business ownership. SBA loans help create jobs, generate business revenues and strengthen the economy. The SBA is proud to be a part of this economic expansion," Slater added.

In addition to new lending records, Region 2 also set new counseling and training records. In FY 2004, Region 2 offices and their resource partners provided counseling and training to 208,120 small businesses throughout the region. This represents a 19 percent increase over the previous record set in FY 2003, when 174,854 small business owners were counseled and trained. "I am confident Region 2 will also have a banner FY 2005," Slater said. "Our priority is simply to place more capital in the hands of small businesses, and provide them with the technical expertise necessary to operate as successful business."

Buffalo/Niagara SCORE Celebrates 40

On Friday, October 29, 2004, the Buffalo-Niagara Chapter #45 of the Service Corps of Retired Executives (SCORE) celebrated "40 Years of Volunteerism" at Chef's Restaurant in Buffalo, New York. The event was attended by SCORE counselors, SBA employees, local entrepreneurs and resource partners. Both SBA and the National SCORE Office were recognized for continuous support in fulfilling the Chapter's mission of helping small businesses on the Niagara Frontier.



Above: (L - R) Buffalo/Niagara SCORE Chapter #45 members Bernie Engel, Richard Hannis and Jack Halloran, along with National SCORE CEO Ken Yancey, celebrate 40 years of providing service

SCORE CEO Ken Yancey said, "SCORE is deeply honored to receive this recognition of our volunteers. It is an opportunity to recognize the success of the Buffalo/Niagara SCORE Chapter and local small businesses, as well as to pay tribute to the counselors who have donated their time and talent to entrepreneurs throughout this district."

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SCORE (continued from front page)

Buffalo District Director Franklin J. Sciortino thanked Ken Yancey for SCORE's outstanding achievements over the last 40 years.

Since 1964, SCORE members have donated their time and expertise, providing business advice and training to entrepreneurs in all stages of business development. SCORE's 40th Anniversary emphasizes the positive impact SCORE counseling and training have on local business communities nationwide.

To learn more about SCORE, visit their web site at www.score.org or call your local SBA office to schedule your FREE SCORE counseling appointment today.

New Alliance Helps Puerto Rico Small Biz

The Puerto Rico Small Business Development Center and SAP Andina y el Caribe recently entered into a strategic alliance to provide small businesses with technological assistance. SAP is a leader in providing business solutions for all types of industries and is the world's largest inter-enterprise software company and third-largest independent software supplier overall.

District Director Carmen A. Culpeper addressed the audience on the importance of creating alliances that promote the technological advancement of small businesses and of increasing their opportunities of success within the global market.



Above: (L-R) Carmen Marti, executive director, PR-SBDC; Gonzalo Nunez, country manager SAP Andina; Manuel J. Fernos, Esq., president, Inter American University of Puerto Rico; and SBA District Director Carmen A. Culpeper.

Ms. Culpeper recently joined the advisory board of PR Trade Magazine & Business Guide, a new publication

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launched by Puerto Rico Trade, a public corporation of the Commonwealth of Puerto Rico. The magazine, for and about small firms, is aimed at providing extensive information resources to start, expand and develop a business in Puerto Rico.



Above: (L-R) Francisco Rodriguez, president, Economic Development Bank for PR and Vice President of PR Trade's Board of Directors; Carmen A. Culpeper, SBA District Director; Antonio Sosa-Pascual, executive director, PR Trade; and Pedro J. Hernandez, director of PR Trade Magazine.

Commerce Bank #1 in New Jersey

Commerce Bank received top honors in New Jersey for being the number one SBA lender in the Garden State during FY 2004. (Continued on P. 3)



Above: SBA New Jersey District Director James A. Kocsi (far left), Congressman Donald Payne (2nd from left) and SBA New Jersey Deputy District Director Allison Randolph (far right)

COMMERCE BANK (Continued from page 2)

New Jersey District Director James Kocsi congratulated the Commerce Bank team for approving 479 SBA loans for \$137.3 million in fiscal year 2004. Commerce Bank also received three District Director Awards for approving the most SBA veteran loans, international trade loans, and 504 loans during the year.

Buffalo Announces Straight Talk 2005

The Small Business Administration's Buffalo District Office and several other conference supporters will present an all-day seminar and business forum designed to provide assistance to emerging businesses.

The event, entitled "Straight Talk 2005," will be held on Saturday, January 22nd at the Erie Community College – City Campus from 8:00 a.m. till 1:30 p.m.

This unique seminar will feature one-on-one business counseling, business information booths, important contacts for your business successes and networking opportunities. Learn about business opportunities through the one billion dollar school project and *Straight Talk* from the professionals.

To register for the event or obtain more information, call the SBA at (716) 551-4301 or send an e-mail to sba@buffalo.com.

Long Island Women's Procurement Conference a Success

Over 100 participants attended "Women Doing Business with the Federal Government" on Long Island this past September. Sponsored by the SBA, the free, half-day seminar discussed topics including: How to Acquire Government Contracts; Working with Prime Contractors; Creating Your Procurement Marketing Plan; and How to Get Bid, Payment & Performance Bonds.

The event was held in cooperation with the National Association of Women Business Owners, Suffolk County Women's Business Enterprise Coalition, U.S. Women's Chamber of Commerce, Government & Industry

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Advocates for Small Business, Brookhaven National Laboratory, Long Island Development Corporation, and Farmingdale and Stony Brook Small Business Development Centers.



Above: Attendees receive valuable information and advice at the women's procurement conference held in Long Island.

Northern NY Women's Business Center Opens

Women in Franklin, Essex, Clinton and St. Lawrence counties that dream of starting their own business will have a new resource close to home to help them achieve their dreams. SBA recently approved a \$750,000 grant to ComLinks, a not-for-profit community organization serving low-to-moderate income residents. The new center will be located at Comlinks' offices in Malone. The Northern New York Womens Business Center will receive \$150,000 annually, with funds to be awarded on a year-to-year basis.



Above: Syracuse District Director Bernard J. Paprocki addresses attendees at the opening of the Northern NY Women's Business Center in Malone, NY.

President George W. Bush Gives SBA Loan Programs Big Boost

On December 8, 2004, President George W. Bush signed legislation making more than \$21 billion available to small businesses through the SBA's two main loan programs. The legislation also reauthorizes the Agency's programs and provides a \$580 million budget for FY 2005.

The SBA's flagship 7(a) loan guarantee program was boosted to a \$16 billion level, \$3.5 billion above what the program provided last fiscal year, when a record \$12.55 billion in financing was made to small business. Additionally, the government loan guarantee increased from \$1 million to \$1.5 million and the program will now operate without a congressional appropriation or at zero subsidy, meaning that the program will be self-supported through modest fees paid by lenders and borrowers.

An additional enhancement to the 7(a) program was Congress' action to make the popular SBAExpress program permanent, raising the maximum loan size to \$350,000 with a 50 percent government guarantee.

"I would like to thank Senator Frist, Speaker Hastert and Small Business Committee Chairs Snowe and Manzullo, and our banking partners for working with the administration to strengthen the 7(a) program," said SBA Administrator Hector V. Barreto. "This is an important win for small businesses and will ensure long term stability to the program."

Congressional action included expanding the agency's 504 loan program up to the \$5 billion level, and raising the maximum loan size for manufacturers to \$4 million. The 504 loans may be used for the purchase of real estate, buildings and machinery.

Other highlights in the bill include \$3.25 billion for SBIC debenture financing and funding for the Microloan and HUBZone programs. The SBA's disaster program, instrumental in the assistance provided after the rash of hurricanes this past summer, previously received supplemental funding.

In the area of entrepreneurial development, the Small Business Development, SCORE and Women's Business Centers were reauthorized and funded at the same levels

as last year. The bill also provides funding for the Veterans and Native Americans programs.

2004 A Record Year: Loans to Small Biz Doubled Since 2001

The SBA provided more than twice as many loans to small businesses in FY 2004 as in FY 2001, surpassing its previous lending records in both the flagship 7(a) and 504 loan programs, and established volume records in loans to women, minorities, and veterans.

In FY 2004, the SBA backed 74,825 7(a) loans totaling \$12.5 billion to small businesses, and 8,168 loans worth \$3.9 billion under the 504, or Certified Development Company (CDC) program. The number of loans made under each program was a record, as well as the combined total. The combined total also is more than double the 41,552 loans that were made by the Agency's lending partners and CDCs with SBA backing in FY 2001.

"Thanks to the President's small business agenda, we have met and surpassed our goals, helping millions of small businesses on their way toward realizing the American dream," Administrator Hector V. Barreto said.

Women and minorities benefited from record levels in FY 2004 as well, each more than double the levels set in 2001. Overall, nearly a third of SBA-backed loans went to minorities, and the number of loans to African Americans, Hispanics and Asian Americans rose to record levels, up 32 percent over last year for African Americans, 31.7 percent for Hispanics and up 33.7 percent over last year for Asian Americans. The number of loans to women increased 27.3 percent and loans to veterans were up by 21 percent.

A record 2.44 million entrepreneurs received business counseling and technical assistance through one or more of the Agency's counseling and training programs: Small Business Development Centers counseled 725,799 clients; SCORE counseled 468,152 clients, SBA Business Information Centers reached 168,640 people; SBA's Small Business Training Network/E-Business Institute Web site registered 957,921 users; and SBA Women's Business Centers provided assistance to 122,712 people.

Advocacy News

Small Business Economic Conditions Improve 3rd Quarter

Economic conditions for small business continued to improve in the third quarter of 2004, according to the recently released *Quarterly Indicators: The Economy and Small Business*. The report, issued by SBA's Office of Advocacy, shows real gross domestic product (GDP) up 3.7 percent, the twelfth consecutive quarterly increase.

"The economic conditions faced by small business are getting better and better," said Dr. Chad Moutray, SBA Chief Economist for Advocacy. "More than 300,000 new jobs were created in the third quarter. Since most new jobs are created by small business, this signals continued growth for small firms in the months to come."

Over the first three quarters of the year, the net percentage of small business owners planning to expand employment was at its highest annual level since 2000, at 14.7 percent—meaning that 14.7 percent more owners plan to hire rather than plan to cut back on employment. The unemployment rate fell to 5.4 percent in September, its lowest level since October 2001.

Self-Employment Up Sharply For Women, Blacks, and Latinos

Self-employment rates for women, blacks, and Latinos have risen sharply since 1979, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration. During the period, self-employment rates increased across ethnic groups and gender, with an overall increase of more than five percent.

"Self-employment is a critical part of our economy," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Self-employment provides the main source of income for a diverse group of over 12 million Americans. The increase

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in self-employment rates for women, blacks, and Latinos show that small business ownership can move minorities and women further into our economic mainstream."

Written by Robert Fairlie with funding from the Office of Advocacy, *Self-Employed Business Ownership Rates in the United States: 1979-2003* was released at the Washington offices of the National Association for the Self-Employed (NASE).

The report delves into the data behind published figures from the Bureau of Labor Statistics (BLS). Unlike BLS figures, this report includes incorporated as well as unincorporated self-employed. The study found that over the period studied the self-employment rate increased 33 percent for women, 37 percent for blacks, and 15 percent for Latinos. The white rate increased ten percent while the male rate increased two and a half percent.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at www.sba.gov/advo

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Copies of Inside Region 2 are distributed free of charge to SBA resource partners, service providers, small business owners and other advocates of small business. To request additional copies, or to be added to our mailing list, please contact Diana Parra at diana.parra@sba.gov.